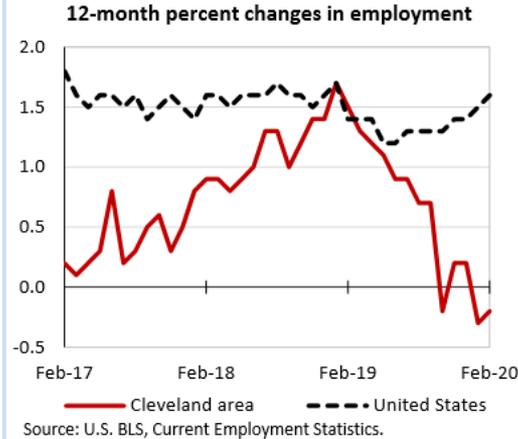




Sec. Treasurer and CEO Update:
COVID-19
April 14, 2020
Board of Trustees Meeting

Economic Conditions

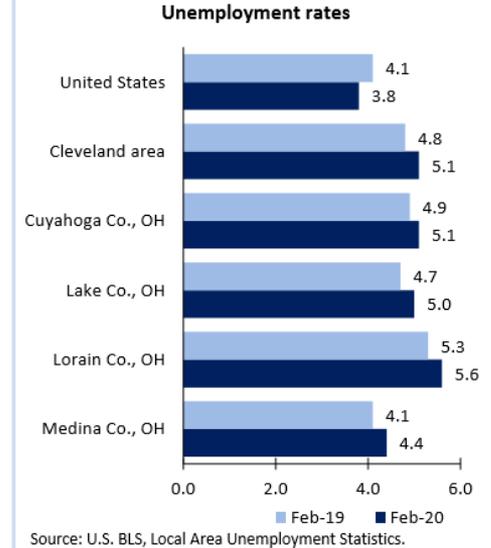
Over-the-year changes in employment on nonfarm payrolls and employment by major industry sector



Cleveland area employment (number in thousands)	Feb. 2020	Change from Feb. 2019 to Feb. 2020	
		Number	Percent
Total nonfarm	1,061.1	-1.9	-0.2
Mining, logging, and construction	37.6	2.8	8.0
Manufacturing	121.6	-2.4	-1.9
Trade, transportation, and utilities	183.2	1.4	0.8
Information	13.1	-0.6	-4.4
Financial activities	65.7	-1.4	-2.1
Professional and business services	152.3	-5.2	-3.3
Education and health services	205.9	-0.5	-0.2
Leisure and hospitality	105.2	5.4	5.4
Other services	39.8	0.3	0.8
Government	136.7	-1.7	-1.2

Source: U.S. BLS, Current Employment Statistics.

Unemployment rates for the nation and selected areas

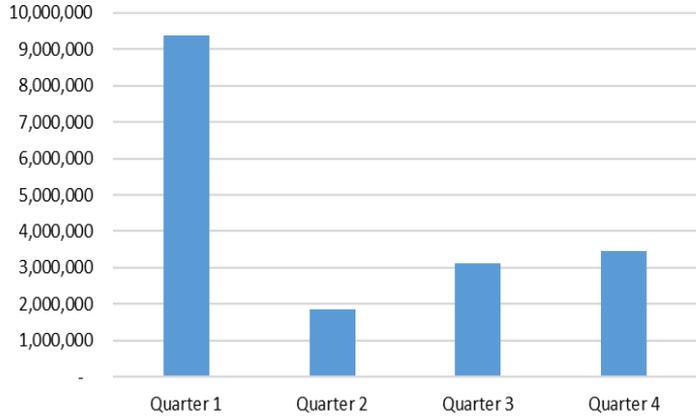


Ohio unemployment claims: last 3 weeks ending 4/4/2020: 696,519
vs. total 2019 claims of 364,603 - ODJFS

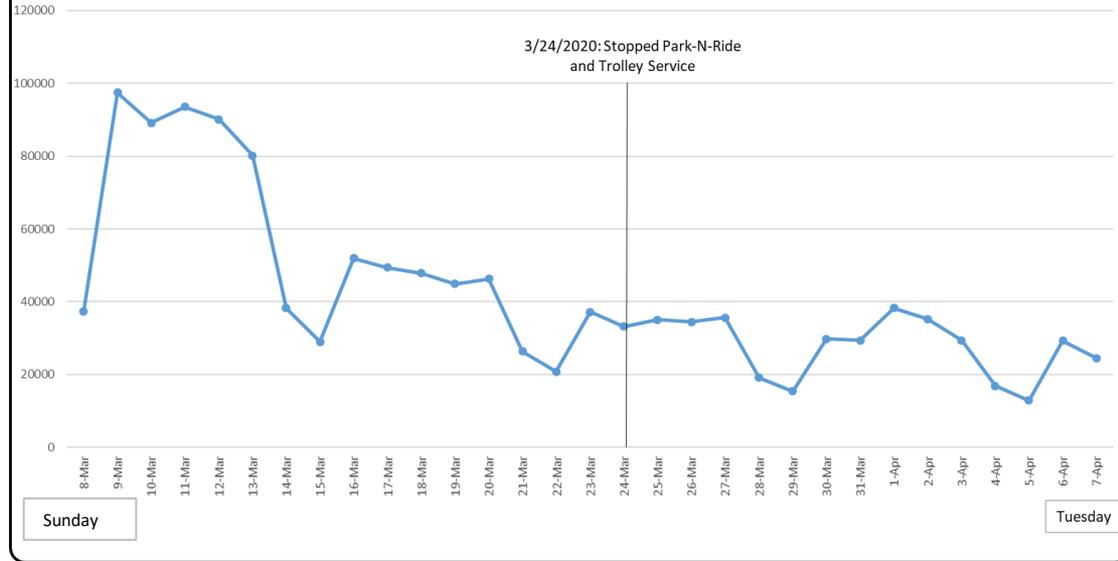
S&P Global: all sectors on negative outlook, including state & local government agencies, utilities, community colleges, housing, and special districts (transit)

Ridership / Fares

2020 Projected Passenger Fares



Ridership Counts - Fixed Route Service: 3/8 - 4/7/2020



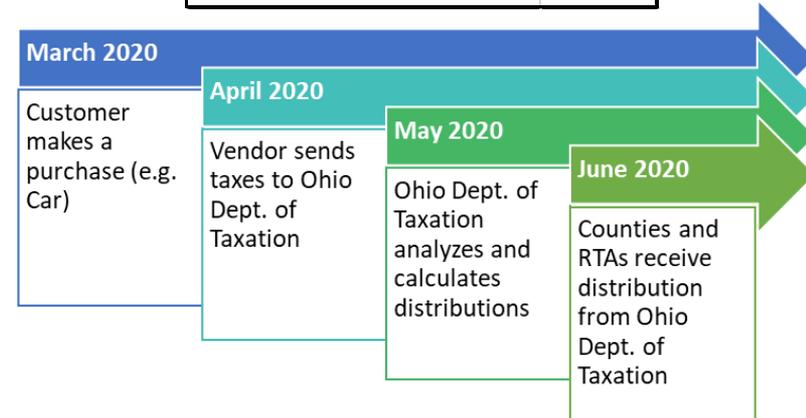
Budgeted 2020 Passenger Fares \$41.4 million
 Projected 2020 Passenger Fares \$19.3 million
 Projected loss \$22.1 million



Sales & Use Tax

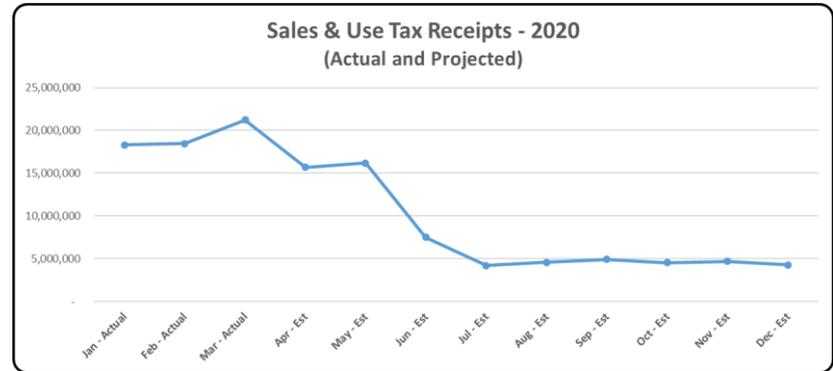
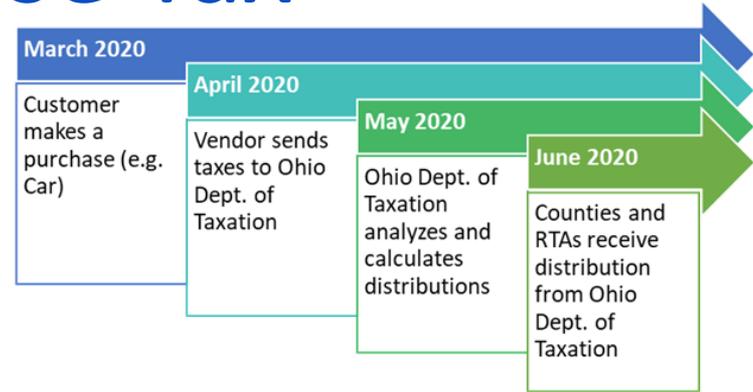
- 1% on sales of tangible personal property and other transactions in Cuyahoga County
 - Bars / Restaurants / Hotels / Tourism
 - Vehicles / Watercraft
 - Services (Salons/Barbers, Cleaning, etc)
 - Clothing / Electronics / On-Line Sales
- 3 month lag between activity and tax receipts from State

Sales & Use Tax Breakdown for Cuyahoga County	
State	5.75%
Cuyahoga County	1.25%
RTA	1.00%
Total Sales Tax in Cuyahoga County	8.00%



Sales & Use Tax

- March Receipts: \$21.2 million
 - Transactions: December 2019
- March 2020 sales tax
 - Will receive in June 2020
 - Estimate 60% drop from budget
 - June - projected: \$7.5 million
 - Loss of \$11.1 million
- 2020 Sales tax:
 - Budgeted: \$215.4 million
 - Projected: \$124.5 million
 - Projected loss: \$ 90.9 million (42% decrease)



Estimated Reduction in Expenses

- Salaries/Overtime/Payroll Taxes/Fringes \$8.7 million
 - Service Reductions / Selective Hiring Freeze
- Fuel \$2.4 million
- Utilities \$1.6 million
- Inventory \$3.3 million
- Services/Supplies (Non-COVID related) \$2.2 million
- Purchased Transportation \$2.6 million
- Other Miscellaneous Expenses \$1.9 million
- **Total Estimated Operating Expense Reductions for 2020** **\$22.7 million**

Projected COVID-19 Expenses

Through 4/4/2020

• Cleaning, Disinfecting (salaries & payroll taxes)	\$154,400
• Supplies & equipment for cleaning & disinfecting	95,500
• Services (on-call for deep disinfecting, temperature taking)	131,000
• IT Equipment (laptops for working from home)	<u>204,200</u>
Total expenses through 4/4/2020	<u>\$616,500</u>
Additional costs incurred (COVID Task Force Meetings)	\$ 28,800

2020 Total Projected Year-end Expenses

• Cleaning, Disinfecting (salaries & payroll taxes)	\$1,560,600
• Supplies & equipment for cleaning & disinfecting	676,600
• One-Time Expenses (Services & IT Equipment)	<u>335,200</u>
Total projected expenses for 2020	<u>\$2,572,400</u>
Additional costs incurred (COVID Task Force Meetings)	\$ 259,200

Modified Service Plan – 4/12/2020

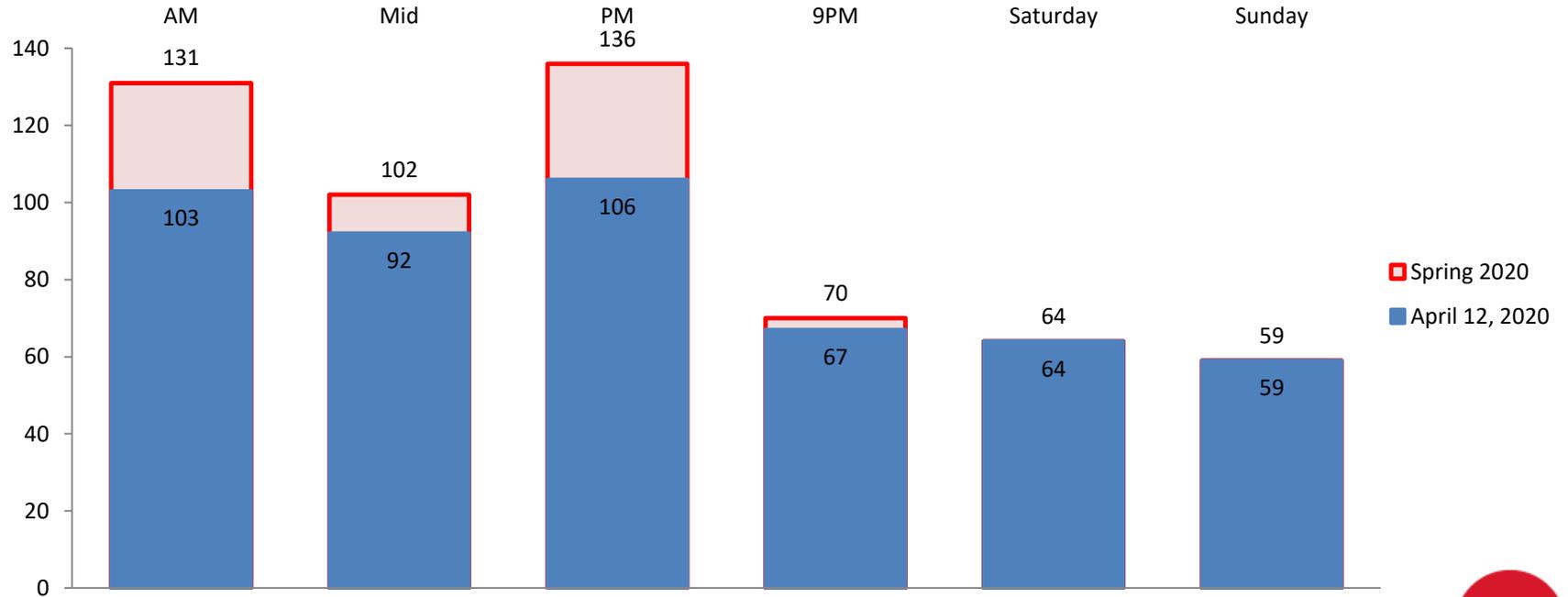
Percent Change From March 8 Service Period to April 12 Service Period

	Weekday	Saturday	Sunday	XB	Weekly
Hayden	-19.4%	-6.3%	-5.5%	21.9%	-11.3%
Rail	-11.0%	0.0%	0.0%	-9.1%	-8.3%
Triskett	-28.2%	-8.7%	-10.2%	0.0%	-21.4%
TOTAL	-22.0%	-6.2%	-6.1%	10.2%	-14.8%

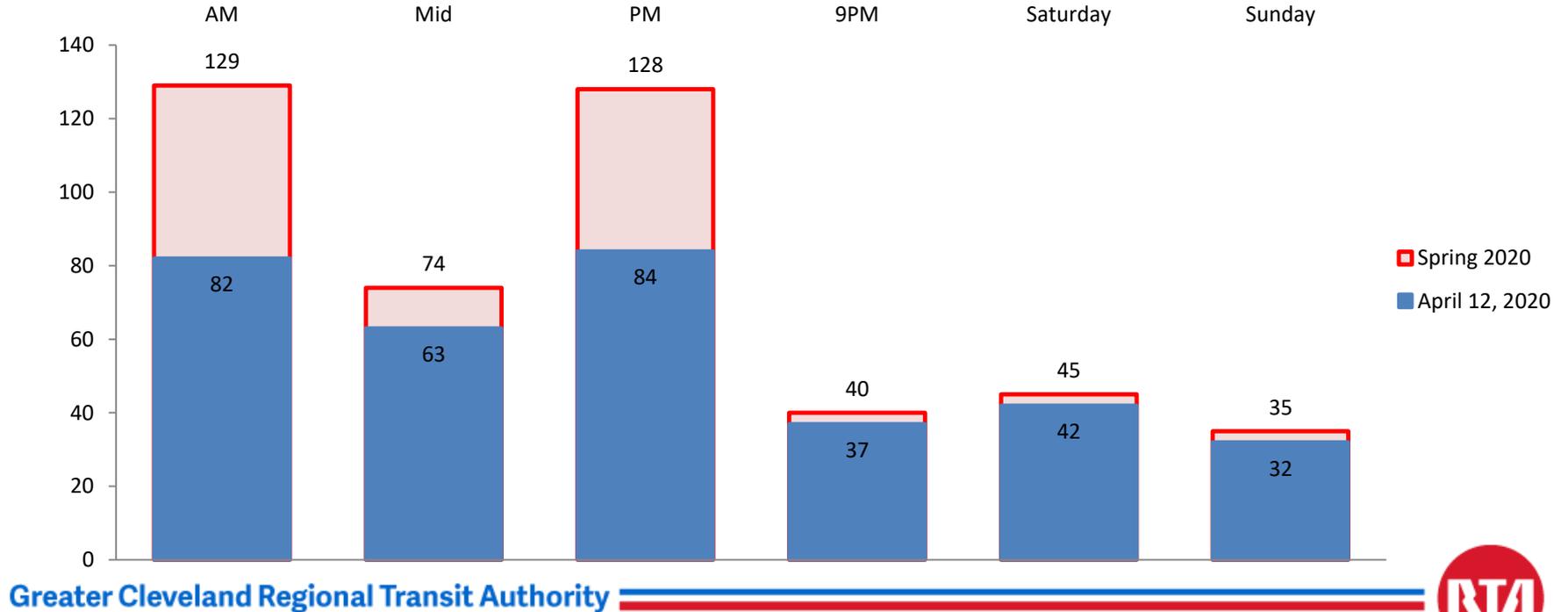
Note: On this spreadsheet, extraboard (XB) pay hours are included in the weekly column but not in the weekday, Saturday, Sunday columns.



Hayden Vehicles in Service



Triskett Vehicles in Service



CARES Act

- Provides \$2 trillion in support for various industries
 - \$25 billion for public transit
- Allocations based on 2020 Federal Formula Funding:
 - Urbanized Area formula funding: USC 5307
 - Rural Area formula funding: USC 5311
- 100% Federal Share (no local match required)
 - Operating (revenue loss; costs: personnel, services, paratransit, COVID-19)
 - Capital projects for COVID-19
 - No lapse date; monthly draw-downs; use funds expeditiously

CARES Act

- Public Transit: \$ 25 Billion
- Estimated funding for Greater Cleveland RTA: \$111 Million

	Estimated Increase / (Decrease)
CARES Act	\$111.0M
Decrease in Sales & Use Tax	(90.9M)
Decrease in Passenger Fares	(22.1M)
Decrease in Investment Income	(0.3M)
COVID-19 Expenses	(2.6M)
Total before expense reductions	(\$4.9M)
Reduction of expenses	22.7M
Total (Reserved for 2021 shortfalls)	\$17.8M

Estimated Reduction in Expenses

- Salaries/Overtime/Payroll Taxes/Fringes \$8.7 million
 - Service Reductions / Selective Hiring Freeze
- Fuel \$2.4 million
- Utilities \$1.6 million
- Inventory \$3.3 million
- Services/Supplies (Non-COVID related) \$2.2 million
- Purchased Transportation \$2.6 million
- Other Miscellaneous Expenses \$1.9 million
- **Total Estimated Operating Expense Reductions for 2020** **\$22.7 million**

RTA Actions

- Enhanced cleaning/disinfecting of vehicles – every 24 hrs
- Enhanced disinfecting of all touchable surfaces in all RTA facilities
- Meetings – WebEx
- Continuity of Operations Plan (COOP)
- PPE kits to front-line employees
- Working with Health Departments: City, County, State
- Working with Center for Disease Control
- Telecommuting when possible
- Updates posted on Internet
- Local tailors and employees making cloth masks
- Audio messages and signs: reduce spread of coronavirus
- Plexiglass enclosures for booth attendants in Tower City
- Social distancing at all facilities
- Service reduction aligned with ridership needs

MoonBeam™ 3 UVC Disinfection



Comments / Questions